

## Message Text

SECRET

PAGE 01 TOKYO 16614 270153Z  
ACTION EB-04

INFO OCT-01 SS-14 ISO-00 NSCE-00 INR-05 CIAE-00 NSAE-00  
DODE-00 L-01 H-01 OMB-01 TRSE-00 PRS-01 EA-06  
SP-02 INRE-00 SSO-00 /036 W  
-----033797 270202Z /63  
O 270141Z OCT 77  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC IMMEDIATE 2279  
INFO USMISSION GENEVA IMMEDIATE

S E C R E T TOKYO 16614

LIMDIS

USMTN

ATTN: ASST SEC JULIUS KATZ - EB

E.O. 11652: GDS  
TAGS: MTN, GATT, OECD, JA  
SUBJECT: EMERGENCY MEASURES AND MTN BASE RATES ISSUE

1. M. IKEDA, DIRECTOR GATT DIVISION, RAISED QUESTION OF  
ADVANCE TARIFF CUTS WITH ECOUNS AT MOFA LATE ON OCTOBER 26.  
IKEDA REFERRED TO INFORMAL TALKS BETWEEN KATZ AND MOTONO  
IN TOKYO ON POSSIBLE TARIFF CUTS BY JAPAN.

2. SPEAKING FOR HIMSELF AND DIR. GEN. MOTONO, IKEDA SAID  
THAT, BEFORE GOJ ANNOUNCES TARIFF CUT PROPOSALS AS PART OF  
EMERGENCY MEASURES TO REDUCE C/A SURPLUS, FOREIGN MINISTRY  
NEEDS CLEAR INDICATION THAT U.S. UNDERSTANDS AND ACCEPTS  
THAT COMMITMENTS TO TARIFF CUTS MADE NOW MUST BE GIVEN FULL  
CREDIT. POLITICAL CONSIDERATIONS DO NOT GIVE THE GOVERNMENT  
ANY OTHER ALTERNATIVE IF THE TARIFF CUTS ARE TO BE JUSTIFIED TO  
THE DIET, HE SAID.

SECRET

SECRET

PAGE 02 TOKYO 16614 270153Z

3. FOR THE SAME REASON, IKEDA SAID, THE GOJ IS REQUESTING USG  
ACCEPTANCE OF JAPANESE POSITION ON BASE RATES (I.E., BSE EUQALS  
BOUND, OR SOMETIMES STATUTORY RATES) AS BASIS FOR TARIFF  
NEGOTIATIONS. IN RETURN, HE SAID, GOJ IS WILLING TO MAKE A  
SUBSTANTIAL NUMBER OF DEEPER THAN FORMULA CUTS TAILORED TO  
U.S. NEEDS.

4. COMMENT: ECOUNS HAS RECEIVED INDICATIONS FROM OTHER SOURCES THAT GOJ WOULD LIKE TO ANNOUNCE TARIFF PROPOSALS AS EARLY AS THIS SATURDAY, 29 OCTOBER.

5. ACTION REQUESTED: AUTHORIZATION TO INFORM FOREIGN MINISTRY THAT (1) JAPANESE POSITION ON BASE RATES WOULD BE ACCEPTABLE TO USG AS BASIS FOR DISCUSSION, WITH THE UNDERSTANDING THAT THERE WILL ALSO BE A SATISFACTORY ARRANGEMENT ON DEEPER THAN FORMULA CUTS BY JAPAN ON PRODUCTS OF TRADE INTEREST TO THE U.S. WITHIN THE OVERALL MTN CONTEXT; AND (2) TARIFF CUTS BY JAPAN IMPOSED AS PART OF THE PROJECTED "EMERGENCY MEASURES" WILL BE GIVEN FULL CREDIT IN THE MTN.  
SHERMAN

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TARIFFS, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-Oct-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1977TOKYO16614  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** LIMDIS  
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**Page Count:** 2  
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**Previous Handling Restrictions:** LIMDIS  
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**Review Markings:**  
Margaret P. Grafeld  
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